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DOS review completed

## EUROPE

1. ITALY: US-UK statement to prevent Communist coup suggested—US Ambassador Dunn has learned from the British Embassy in Rome that the Kalian Minister of Interior has predicted a Communist attempt to seize power by force immediately following the defeat of the Communists in the 18 April elections. The Minister suggested to the British Ambassador that the US and the UK make an immediate statement declaring "they would not remain indifferent" if such an attempt were made. Dunn comments that Premier De Gasperi has not made a direct request to this effect and that the US Embassy is inclined to agree with the British Ambassador that such a statement would be an unwise pre-election move.

(CIA Comment: CIA believes that Communist capabilities for successful insurrection have diminished and that the Communists are likely to launch a post-election campaign of strikes and violence which will fall short of revolution. CIA concurs in the estimate that the proposed statement before the elections might have adverse political effects.)

- 2. TRIESTE: Possibility of violence—US Political Adviser Joyce believes that the Communists will probably not incite disorders during pro-Italian mass demonstrations to be held in Trieste on 15 and 17 April, but that Italian demonstrators may get out of hand and commit acts of violence against the Communists. Joyce adds that the situation is outwardly calm but the underlying tensions are "very real and potentially dangerous."
- 3. AUSTRIA: <u>USSR believed to desire Austrian treaty</u>—The US delegation to the London conference on an Austrian treaty believes that, because of recent clear indications that the USSR may now desire a treaty, it can no longer be readily assumed that the USSR will not accept US stipulations for Austrian independence, and therefore the US may be faced with the possibility of rejecting the treaty on strategic grounds after an agreement

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in principle has been reached. British delegates believe that the Soviet desire for a treaty should be utilized to get the "best bargain" for Austria, but the French consider the continued presence of troops in Austria to be important to the "general European interest" and do not now wish to concit de a treaty. The US delegation believes that the matter should be considered by the US National Security Council.

## NEAR EAST-AFRICA

4. IRAN: US to pay for shipment of arms—The Department of State has informed US Embassy Tehran that credits to cover packing and shipping charges for the surplus US arms to be acquired by the Evanian Government will be included in the general appropriation request for the next fiscal year.

(CIA Comment: Implementation of the \$20 million US arms credit, ratified by the Iranian Majlis on 17 February, has been held up by the imbility of Iran to cover packing and shipping costs for the arms.)